

[Mr. Chairman] [22nd December 1956]

section 40 (1) of the Madras Estates (Abolition and Conversion into Ryotwari) Act, 1948 (Madras Act XXVI of 1948) be approved :—

DRAFT AMENDMENT.

In rule 3 of the said rules, the following proviso shall be added at the end, namely :—

‘ Provided that where the amount of the total compensation stands altered as a result of any order under section 39 of the Act or otherwise, after the payment or payments referred to have been made, the amount or the amounts of any deficiency in the payment or payments already made may be paid at any time and as soon as may be after the said alteration, and the amount or amounts of any excess in the payment or payments already made by way of deposit under rule 5 may be withdrawn at any time and as soon as may be after the said alteration.’ ”

The motion was put and carried.

V.—GOVERNMENT BILLS.

(1) THE MADRAS CO-OPERATIVE SOCIETIES (AMENDMENT) BILL, 1956 (L.A. BILL NO. 34 OF 1956).

* THE HON. SRI M. BHAKTAVATSALAM : Sir, I move—

“ That the Madras Co-operative Societies (Amendment) Bill, 1956 (L.A. Bill No. 34 of 1956), as passed by the Legislative Assembly, be taken into consideration.”

The All-India Rural Credit Survey Committee appointed by the Reserve Bank of India undertook a survey of rural credit which brought to light the inadequacy of co-operative credit. The Committee observed that a dynamic programme for increasing agricultural production which the country had undertaken called for an equally dynamic programme of agricultural credit and recommended the supply of institutional credit on a co-operative basis to a larger section of the agricultural population, laying emphasis on the supply of productive finance and provision of complementary arrangements for marketing and processing to enable the ryots to reap the benefits of increased agricultural production. The Committee recommended a scheme of integrated rural credit and marketing based on the three principles of State partnership at different levels, full co-ordination between credit and other economic activities especially marketing and processing, and administration through adequately trained and efficient personnel responsive to the needs of the rural population. This scheme contemplated the formation of large-sized primary societies, based on limited liability or liability limited by guarantee and employing paid staff, as against the existing village credit societies and State participation in the co-operative institutions. The Committee also recommended the advance of cultivation

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loans on the security of the crops proposed to be raised. The basic principles and lines of reorganisation of the co-operative credit movement recommended by the Committee were approved at the conference of State Ministers held at New Delhi in April 1955. That Conference also recommended that, as a preliminary step towards the implementation of the scheme of integrated credit, a few pilot projects embodying the salient features of the main scheme might be started in two or three select districts during 1955-56 itself to gain experience for working the main scheme. A pilot scheme was accordingly sanctioned by this Government and was put into operation from January 1956 in two select taluks in each of the districts of Chingleput, Coimbatore, Ramana-thapuram and Tirunelveli. It was found that through the implementation of the scheme there was a record increase in the membership, paid-up share capital, deposits and loan transactions of large-sized agricultural credit societies. Encouraged by the results of the scheme, the Government sanctioned the main scheme also in June last and it is now being implemented throughout the State. The progress made in regard to issue of loans from 1st April 1956 to 31st October 1956 by the Co-operative Central Banks to Agricultural Credit and Marketing Societies for disbursement to agriculturists, primary land mortgage banks and Central Land Mortgage Bank proved beyond doubt that the scheme has helped to increase the tempo of development of co-operative credit.

In order to ensure the effective and successful implementation of the scheme and the achievement of the targets laid down in the scheme by carrying out the programmes for State participation in the share capital of co-operative institutions, formation of large-sized credit societies, expansion of credit by co-operatives, etc., it has become necessary to make certain amendments to the existing Madras Co-operative Societies Act. This opportunity is also taken advantage of for bringing about one or two other amendments to the Act which are also very urgent.

The need for the amendments proposed has been explained briefly in the Notes on clauses appended to the Bill.

MR. CHAIRMAN : Motion moved—

“ That the Madras Co-operative Societies (Amendment) Bill, 1956 (L.A. Bill No. 34 of 1956), as passed by the Legislative Assembly, be taken into consideration.”

SRI K. BALASUBRAMANYA AYYAR : Mr. Chairman, at the outset, I have to state one or two things that have happened. The Committee on Co-operation which was constituted by the Madras Government has gone into the whole question very thoroughly. The Chairman of the Committee was my respected colleague, Sri T. M. Narayanaswamy Pillai and a very learned report has been submitted by it. A copy of the Report was also supplied to us. The Committee has made a number of recommendations as regards the way in which loans have to be given

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to agriculturists, the way in which they can be recovered, etc. I do not find that all of them have been considered and suitable amendments brought in in this particular Bill. That is one thing.

Another thing is this. The Government of India have recently appointed a Commission and it has issued a questionnaire on the Law of Co-operation. I think that that questionnaire has been sent to hon. Members of this Council also. There are these things and I think it would be better if a comprehensive Bill is brought in after these things are also taken into consideration by the Government. Of course, the Hon. Minister states that there are some schemes which necessitate these amendments urgently. When we take action to amend a particular Act, it would be better to wait a bit—say, for two or three months—examine the whole Law of Co-operation and the recommendations of the Committee and then bring in such a Bill. That would also be consistent with the policy laid down in the Budget speech of the Hon. the Finance Minister, that is, to leave such things to the coming Government. No doubt, that is a matter for consideration by the Hon. Ministers.

THE HON. SRI M. BHAKTAVATSALAM: This is not a case of taxing the people, but this is a case of giving *loans* to the people.

SRI K. BALASUBRAMANYA AYYAR: I am fully aware of it. Yes, it is not a question of taxing the people. But in the Budget speech special reference has been made that even schemes which are very useful to the people have been postponed for consideration by the new Government. Consistent with that policy—this is not a question of imposition of a tax—these amendments could have been left to the coming Government. Now, there is no question of these loans being urgently needed by the agriculturists. This is harvest time. In effect, the Government would be operating in a vacuum. I realise that this is not a case of imposition of tax. Therefore it is that I make bold to say that this could have been left over. For, this is not wanted at the present time. (The Hon. Sri M. Bhaktavatsalam: Not wanted?) Yes, not wanted at the present moment. This is a time when we are looking to Providence to see that nothing untoward happens and hampers the harvest. It is stated that these loans are given especially for raising crops, etc., that is, for meeting cultivation expenses.

Then, so far as amalgamation of small societies is concerned, that is a different matter and I do not propose to deal with that now. But this measure could have been postponed especially when there is a Co-operation Commission for the purpose of evolving a law for the whole of India. They will suggest a certain law and we will have to adapt it. This is not a mere executive order but a legislation and in matters of legislation, many difficulties have to be overcome if a measure is to work for the benefit of the people. Of course, the objects are good and laudable. I do not

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want to oppose the Bill on that score. But so far as the legislative machinery is concerned, this could have been postponed for the present. Further, in the Legislative Assembly the Hon. the Finance Minister has stated that they have almost exhausted their mandate. 'Mandate' is the word he used. They have exhausted all and only 5 per cent more is remaining.

There are certain amendments which I have given notice of and I shall explain them when the time comes.

Sir, there are various irregularities in the working of co-operative societies. This was referred to by some hon. Members in the Assembly also. Various reports have appeared in the Press about defalcations in co-operative societies. Some provision ought to be there in the Act to prevent such defalcations. Of course, the guilty persons are punished later on. But it would be better if there is a specific provision to prevent such things. Something like effective audit, previous sanction for various expenses to be incurred, etc., should be there so that we might check the occurrence of defalcations. I have not gone into the question thoroughly and, therefore, I cannot say how it should be done.

Sir, there is another matter here. In all recent legislations we have got a particular section which says, 'Everything said here is final and shall not be called in question in any Court of Law'. Already the Law Commission has been addressed whether it would consider this particular matter and give any direction to all our Legislatures and various other Bodies which are proposing legislation. The general policy to be adopted in this regard should be made clear. For example, there is the provision about recovery of debts. The Registrar also decides questions in regard to this matter. Thus, the Registrar is also exercising some judicial functions. Therefore, there should be some provision under which his orders could be revised. On questions of fact, of course, final decisions may be given by him. But, on general questions of law, where any injustice takes place on account of the misapprehension of law, there must be some room for remedy in a Court of Law. It is only in cases where there is a misapprehension of law that I want that there should be provision for revision. For example, there is the provision regarding punishment for disposing of property in contravention of the provisions of section 21. In such cases, if there is a misapprehension of law, there should be provision for revision. A revision petition may lie to the Munsif's Court in the same place. All these things may be provided to make justice cheap, summary and quick. But to say that the orders of the Registrar should not be called in question is a thing which I do not support. In all legislations, especially when the Executive is exercising judicial functions, there must be some safeguard against injustice.

With regard to other matters, I have proposed one or two amendments and I shall explain them when the clauses are taken up for consideration. There is one principle to which I agree

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and that is this. One of the Committee's recommendations is that there should be a provision under which the Registrar may compel the societies to amalgamate whenever necessary. So far as that recommendation is concerned, I am glad that it is provided in this Bill that the Registrar can in justifiable circumstances direct the amalgamation of societies. There are other very salutary things also which could very well have been adopted here.

The Report of the Committee is worth looking into by all the hon. Members at this particular juncture. It is stated that provision may be made in the co-operative law for the creation of a charge on immovable property by a declaration made by the owner. That means this. When one gets a loan from a co-operative society, in order to create a charge on immovable property, one need not sign any formal document. It is enough if there is a mere declaration signed by the applicant that he creates a charge. That is sufficient for the purpose of creating a charge on immovable property. That is a very salutary provision which will be very useful to agriculturists. That matter could be looked into and some provision made in this particular law.

The Committee has also stated that there is need for the institution of a guarantee and relief fund out of which possible losses to tenants may be made good. Especially, when there are banks or companies which give loans to ryots, there will always be some losses. There is no doubt about that. There should be some provision by which these losses can be met. For example, we have a contingent fund. Similarly, there is need for the institution of a guarantee and relief fund. That provision could very well have been adopted here also. Loans are given to tenants. Most of them are poor and they may not be able to repay them ultimately. Therefore, in order to meet all possible risks, this guarantee and relief fund can be organised in every co-operative society.

There are very many things which could also have been adopted here. I suppose in the rules, these two things I have mentioned will be provided for.

I welcome this Bill, on the whole, because it enables the co-operative societies to give loans to cultivators, especially on mortgage. The important thing to be noted in this connection is that they cannot be recovered immediately. As the Committee itself has stated in its Report, the loan has to be recovered in instalments. If that is done, it will be a very great help to the cultivator. There is no provision in this Bill for that purpose. Therefore, I have given notice of an amendment in this regard.

* SRI T. M. NARAYANASWAMY PILLAI: Mr. Chairman, Sir, my hon. Friend Sri K. Balasubramanya Ayyar referred to two aspects of the question. One relates to things which have not been done and which might have been done by the Government and the other relates to the actual provisions of this

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Amending Bill. With regard to the first, I shall put forward two points for the consideration of the Government. I was reminded of them by the reference made by the hon. Member Sri Balasubramanya Ayyar to the questionnaire issued by an All-India Committee for the purpose of reforming the co-operative law, and by the reference made by the Hon. Minister in his speech to the recommendations of the All-India Rural Credit Survey Committee. These two points are : (1) the recommendations of the Rural Credit Survey Committee have not been accepted *in toto* by the Conference of Ministers, and (2) the State should not abdicate its responsibility in the field of co-operation. The All-India Rural Credit Survey Committee was no doubt composed of very eminent people and its recommendations are entitled to our highest respect. Wherever possible and acceptable, we should lose no time to implement them. But there are certain general trends and principles adumbrated in the Report to which every man who is really interested in co-operation must take exception; one of such trends is to forget the basis of co-operation and to transform it merely, entirely and totally into a State-controlled institution. That would be the end which would have been achieved if the recommendations of the All-India Rural Credit Survey Committee had been put into effect in entirety. At the same time, there are some significant findings of that Committee which must be implemented. When the Hon. Minister said that the recommendations of the All-India Committee were approved either by the Conference at Patna or by the Authorities at Delhi, I think there was a little error in it. The recommendations were not accepted *in toto*. They were diluted considerably and the part proposed to be given to the State has been considerably watered down. It was only the principle of the State coming to aid the institutions in respect of finances that was accepted. I am not here on principle saying that the State is bad and the co-operative movement as such is good or *vice versa* but what I am attempting to say is this :—If the State were to contribute the meagre share capital, have control over major policies, the constitution of the Board of Directors, appointment of the chief executive staff and possess a veto power, what is there for the co-operative institutions to do? All these aspects have to be taken into consideration when considering the recommendations of the Rural Credit Survey Committee.

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Sir, the Madras Committee has taken pains to analyse the whole position, and examine the basis of the findings of the other Committee in a particular manner and has recommended portions which will be beneficial to the movement without, at the same time, undermining the basis and the fundamentals of the movement. •

There is another point to which I wish to refer. There seems to be a general feeling that the State Government are abdicating their rights and responsibilities in favour of the Centre. My point is that they should not do so. If there is any field in which

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the State should have full control, it is this field of co-operation. I cannot understand why this field also should be taken away from the operation of the State. The Committee has categorically stated that the State should have a Co-operative Development Board presided over by the Minister and aided by other co-operators and responsible officials; that the State should not be deprived of what is legitimately due to it in this sphere of co-operation. There is a tendency which, if allowed to continue, would deprive the State of its legitimate rights and responsibility. That would be detrimental to the fundamental principles of the co-operative movement. These are the two points which I was reminded of when my hon. Friend Sri Balasubramanya Ayyar and the Hon. Minister spoke. If we are not careful about these matters, then even with the best of intentions, we shall not be able to achieve anything substantial in this field.

As far as the actual provisions contained in the Bill are concerned, I certainly welcome the move of the Government to arm themselves with necessary legislative powers to introduce large-sized primary societies. At present, there can be only one society for one village, and the number of members is very limited, and the result is that we do not have sufficient volume of transactions to make the village society an economic unit. An examination shows that these small societies with a limited capital are working at a loss and to that extent, the whole thing may be said to be a failure. It is not possible to enrol all the villagers as members. A number of disadvantages have to be faced by these small societies as a result of the operation of certain provisions. Unless and until these disadvantages, basic, initial, constitutional disadvantages are removed, these small societies cannot work as economic units. In the interests of the co-operative movement as such, it is necessary to see that the scope of the village society is widened, that it becomes large-sized, that it works at a profit and that it is able to employ a paid staff for the preparation of accounts, collection of dues at the proper time and so on. The necessity to establish large-sized societies is borne out by the experience gained. I want to bring one instance to the notice of the Government. There is a society in the present Andhra State which once formed part of the composite Madras State, viz., the Society at Alameru. I think one of its Presidents was a Member of this Council before separation. That Society caters to the needs of persons within a radius of 5 miles. The present position of that Society is such that it has got reserves to the extent of many lakhs of rupees. It deals in lakhs of rupees. It has a large membership. This is a positive instance which clearly shows how a large-sized society has proved its effectiveness and usefulness. It has also exhibited its capacity for service. Similarly, in our State, we examined a number of societies. No society which has a transaction to the extent of less than Rs. 50,000 can ever hope to work at a profit or can be useful to the community. The conclusion of the Committee in the matter is that there must be a transaction at least to the extent of two lakhs of rupees to make the society work satisfactorily. From the

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point of view of theory and from the point of view of the results achieved here and elsewhere by certain societies, the committee has come to the conclusion that there should be large-sized societies. Of course, there is section 13 which provides for the amalgamation of the societies on a voluntary basis. But, it takes time and it is not possible to give effect to this amalgamation quickly. There is no provision for compulsory amalgamation. Therefore, the Government are right in coming forward to arm themselves with certain powers by which the Registrar will be enabled to effect compulsory amalgamation if they do not come to an agreement with regard to the amalgamation proposed. I welcome this amendment which is a very wise one, I should say.

Similarly, one or two other amendments are also necessary. For instance, I would like to refer to the one mentioned by the hon. Member Sri Balasubramanya Ayyar with regard to the creation of prior charge. Of course, it may be said that there is some provision in the Bill. But, I have to point out that the wording used in the present law is only 'priority'. The wording has to be changed and prior charge should be given to the society for the money lent for purchasing seeds, farm implements, cattle or raw materials. The provision for charge is necessary. 3-20 p.m.

Regarding punishment, the committee, after anxious consideration, decided to follow other States like Bombay which have similar provisions. But exemptions will be given in *bona fide* cases. At the same time, we should say that people should not resort to questionable practices.

Some definition with regard to "Registrar" is necessary. It is stated that the Registrar is one who is appointed to do the duties of the Registrar. That is rather a vague definition. It is also stated that the Registrar can delegate his powers to the Deputy Registrar. But when the Deputy Registrar is exercising the powers delegated to him by the Registrar, is he doing the duties of the Registrar? From a layman's point of view, the definition may be all right. But on a strictly legalistic interpretation, the definition is not correct. Therefore, it would be much better if a correct definition is given to the term "Registrar" so as to make the meaning clear.

Some of the provisions may help the Government and the co-operative institutions. From the findings of the Rural Credit Survey Committee it is observed that not all the villages are covered by the co-operative movement. The co-operative movement has not spread to all the rural families. But slowly we are moving. For "agriculture" to make headway, co-operative movement must play no small part. But the difficulty nowadays is that we find it very difficult to find people to advance money to the agriculturists, who merely cultivate but have no property. The cultivators are honest people who will return the money borrowed. The creditor-society also should be prepared to advance money on the security of the produce about to be raised. This

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Bill wants to help the co-operative institutions to enable them to advance money to the cultivators. The important role to be played by these co-operative institutions in the matter of rural credit cannot be over-emphasised. The success of agriculture depends upon the useful role played by the co-operative movement in affording rural credit to the cultivators. One of the aims of the Second Five-Year Plan is to encourage "co-operative planning". The principal aim of the Second Five-Year Plan is to improve agriculture and small-scale industries and to establish social justice. Co-operative movement plays no small part in the improvement of agriculture and of the standard of the rural people. Therefore, no time should be lost in making co-operative societies effectively participate in this matter of rural reconstruction by advancing credit to the agriculturists in times of need. Then only we can fulfil the rural reconstruction programme envisaged in the Second Five-Year Plan. While I welcome the Bill, I would take exception to the way in which the findings of the Rural Credit Survey Committee have been referred to by the Hon. Minister and the manner in which the present trends are noticeable in the co-operative field in the State so as to deprive it of its initiative and responsibility.

* SRI V. V. RAMASWAMI : தலைவர் அவர்களே, இந்த மசோதா வானது பெரும்பாலும் கிராம மக்களுக்குப் பயன்படவேண்டிய நோக்கத்தின் கண்ணோட்டத்துடன் கொண்டு வரப்பட்டிருக்கிறது. அதாவது, நமது நாட்டிலே இருக்கின்ற மக்கள் சமுதாயத்தில் 80 சதவிகிதத்திற்குமேல் விவசாயத்திலே ஈடுபட்டிருக்கின்றமையால், தொன்றுதொட்டு நடத்திவருகின்ற இந்தத் தொழிலிலே எவ்வளவுதான் அவர்கள் உழைத்தாலும், கால மாறுபாடுகளினால் அதில் தக்க பலன் கிடைக்காமல் கடன் பளு ஏற்பட்டு சங்கப்பட்டுக்கொண்டிருக்கிறார்கள் என்பதை அரசியலாளரும் அறிவர்; பொது மக்களும் அறிவர்.

ஆகவே, இந்த நிலையிலே பொது மக்களில் பெரும் பகுதியினராகிய விவசாய மக்களுக்கு நிவாரணம் அளிக்கவேண்டுமானால், தங்களுக்கு உண்மையாக சமுதாயத்திலே நலன் இருக்கிறதென்று அவர்களையும் உணர்ச்சி செய்யவேண்டுமானால், அவர்களுக்கு ஏற்பட்டிருக்கிற கடன் பளுவைக் குறைக்கவேண்டுமென்பதுதான் முக்கியமான பிரச்சனையாக இருக்கிற தென்பதை அரசியலார் உணர்ந்திருக்கின்றார்கள்.

அவர்களுடைய கடன் பளுவை எப்படி நீக்குவது, அவர்களுக்கு எப்படி கடன் கொடுத்து உதவுவது என்பதை ஆராய்ந்து பார்ப்பதற்கு நமது இந்திய அரசாங்கத்தின் ரிசர்வ் பாங்கிள் "ஆல் இந்தியா ரூரல் கரெடிட் ஸர்வே கமிட்டி" என்று ஒரு கமிட்டியை ஏற்படுத்தியதின் பேரில், அவர்கள் ஆராய்ந்து பார்த்து, தங்கள் யாதாஸ்தைச் சமர்ப்பித்திருக்கிறார்கள். அந்த யாதாஸ்தில் முக்கியமாக விவசாய மக்களுக்கு இப்பொழுது இருக்கிற முறையிலே தேவையான பணம் காலாகாலத்தில் கிடைக்காத நிலைமையினால் ஒவ்வொரு ஆண்டும் கடன் பளு மேலும் மேலும் அதிகப்பட்டுக்கொண்டே வருகிறதென்றும்; இப்பொழுது அவர்களுக்குக் கடன் கொடுக்கப்படுகிறதெல்லாம் முக்கியமாக கூட்டுறவு இலாகா மூலமாக இருந்தபோதிலும், எவ்வளவு எதிர்பார்த்தோமோ அவ்வளவு கொடுக்கப்படவில்லை என்றும்; ஆகவே, இதைச் சீர்திருத்தி அமைக்கவேண்டும் என்றும் அவர்கள் ஆலோசனை சொல்லியிருக்கிறார்கள். அரசாங்கத்தின் மூலமாகவோ, கூட்டுறவு இயக்கத்தின் மூலமாகவோ எவ்வளவு கடன் கொடுக்கப்பட்டாலுங்கூட, எவ்வளவு குறைந்த வட்டியாக இருந்தபோதிலுங்கூட, விவசாயிகளுக்குத் தேவையான பணம் கிடைக்காததால் அவன் எப்படியும் வெளியிலே கடன் வாங்கவேண்டிய நிலைமையில் இருக்கிறான்

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அதனால் அவன் சொல்லொனாத வட்டி விகிதத்திலே கடன் வாங்குகிறான். கூட்டுறவு இயக்கத்தின் மூலமாக அவனுக்கு ஆறேகால் சதவிகித வட்டியில் கடன் கிடைக்கிறது. ஆனால், வெளியில், கணக்கில் ஒருவாறு இருந்த போதிலும் தன்னுடைய நிலத்தையே இழந்துவிடுகின்ற அளவு வட்டிக்குக் கடன் வாங்குவதால் அவன் கஷ்டப்படுகிறான். ஆகவே இந்த வட்டிப் பளுவைத் தீர்க்கவேண்டுமானால் கூட்டுறவு இயக்கத்தின் மூலமாகத்தான் கடன் கொடுக்கவேண்டும். இந்த இயக்கத்தின் மூலமாகத்தான் பொது ஜனங்களுக்கு சேவை செய்யமுடியும் என்று ரிசர்வ் பாங்கினர் ஒப்புக் கொண்டு அதை வலுப்படுத்துவதற்கு ஒவ்வொரு பகுதியிலும் பெரிய சங்கங்களை ஏற்படுத்தவேண்டும். அவைகளின் மூலமாகவே விவசாயிகளுக்குக் கடன் கொடுக்கவேண்டும் என்றும் அவர்கள் யோசனை சொல்லியிருக்கிறார்கள். ஆகவேதான், இப்பொழுது இருக்கின்ற சட்டத்தை மாற்றியமைக்கவேண்டியது அவசியமாகிவிட்டது.

இவ்வளவு பணத்தைக் கொடுத்தாலுங்கூட காலாகாலத்தில் குறைந்த வட்டிக்குப் பணம் கிடைக்கவேண்டியது அவசியமாய் இருக்கிறது. விவசாயத்தின் பலனை அவன் அனுபவிக்கும் அறுவடை காலத்தில் வாங்கிய கடனைத் திருப்பிக்கொடுக்கவேண்டிய நிலைமை இருப்பதால், பாட்டு உழைத்தும் பிரயோஜனமில்லாமல் பாதிக்கப்படுகிறான். உழைப்பின் பலனை விவசாயி அனுபவிக்கவேண்டுமானால் விவசாயப் பொருளுக்கு நல்ல விலை கிடைக்கவேண்டும். அதற்காகத் தானியங்களைத் தேக்கிவைத்து விற்பனையாக வராமல் கிடைக்கும். விவசாயப் பொருள் அறுவடையாகும் தருவாயில் இருக்கும்போது, அதை எதிர்பார்த்து கடன் கொடுக்கலாம் என்ற முடிவுக்கு வந்திருப்பது மிகவும் பொருத்தமானது. வரவு செலவுத் திட்ட உரையை நிகழ்த்தும்போது நிற அமைச்சரவர்கள் “இனிமேல் மக்களுக்குக் கடன் கொடுப்பதிலே ஓரளவு ‘ரிஸ்க்’ இருந்தாலும் அதை எதிர்பார்த்து கடன் கொடுக்கத்தான் வேண்டும்” என்று சொல்லியிருக்கிறார்கள். அதைப் பாராட்டினேன். அதை அடிப்படையாக வைத்துக்கொண்டு இப்பொழுது விவசாயப் பொருள்களின்மீது அவை பலன் தரும் தருவாயிலே கடன் கொடுக்க முன் வந்திருப்பது மிகவும் பொருத்தம். சரக்கு அறுவடையானபிறகும் அதைச் சற்றுத் தேக்கிவைத்திருந்த பிறகு விற்பனைக்கு அனுப்புவதற்கு கிப்பகு வசதி செய்து கொடுக்க வேண்டிய பண உதவிக்கு ஏற்பாடு செய்வதும் வரவேற்கத் தக்கது. ஆகவே, இந்த இரண்டு அடிப்படையையும் வைத்துக்கொண்டு இந்த மசோதாவானது கொண்டுவரப்பட்டிருப்பது மிகவும் வரவேற்கத்தக்கது என்று சொல்லிக்கொள்ள விரும்புகிறேன்.

இப்பொழுது ரிசர்வ் பாங்கினர் விவசாயத்திற்காக இரண்டரை கோடி ரூபாய் பணம் மாகாண கூட்டுறவு பாங்கு மூலமாகக் கொடுக்கிறார்கள். அதை வாங்கிக்கொண்டு மாகாண சொந்தப் பணத்திலிருந்து முக்கால் கோடியும், மாவட்டத்திலிருக்கும் மத்திய பாங்கு மூலமாக ஒரு குறிப்பிட்ட தொகையும், தங்களுடைய முதலீட்டிலிருந்து சமர் ஒரு கோடி ரூபாயும் சேர்த்து ஆகமொத்தம் ஐந்து கோடி வரைக்கும் இப்பொழுது கொடுக்கப் பட்டு வருகிறதென்றும், மேலும் மேலும் கொடுக்கவேண்டுமானால் அரசியலாரும் பங்கு எடுத்துக்கொண்டு அதற்கு வேண்டிய பணத்தை கூட்டுறவு ஸ்தாபனங்களுக்குத் தக்க காலத்திலே கொடுக்கும் வண்ணம் செய்வவேண்டுமென்றும் கேட்டுக்கொள்கிறேன்.

பெரிய சங்கங்களை ஏற்படுத்துமோது மக்களுக்கு நல்லதொரு வாய்ப்பைக் கொடுக்கின்ற நிலைமை ஏற்படுவதினால் மக்கள் அதை வரவேற்பார்கள். ஆயினும், இந்த சமயத்திலே ஒன்று சொல்ல விரும்புகிறேன். இம்மாதிரி சங்கங்களை ஏற்படுத்தி விவசாயப் பொருள்களின் மேலே பணம் கொடுத்து, அவைகளைத் தேக்கி வைப்பதற்குக் கிடங்கு வசதி செய்வது ஒருபுறமிருக்க, நிலத்தை அடமானம் வைத்து பட்ட கடனையும் இன்னும் இதுபோன்ற கடன் பளுவையும் சமாளிக்கவேண்டியிருப்பதால், முன்பே ஒப்புக்கொண்டு இருக்கிறபடி கட்டாயம் ஒவ்வொரு தாலுகாவிலும் ஒரு நில அடமான பாங்கு ஏற்படுத்தவேண்டும். அப்படி ஏற்படுத்தினால்

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[Sri V. V. Ramaswami] [22nd December 1956]

தான் இம்மாதிரியான பளுவைச் சீக்கிரம் குறைப்பதற்கும், முதலீடு செய்வதற்கும் வசதியாக இருக்கும். இப்படிப்பட்ட நில அடமான பாங்குகளை அரசியலார் எந்தவிதமான சணக்கமும் இல்லாமல் ஏற்படுத்த வேண்டும். அதற்குத் தடங்கலாக இருப்பது அநேக மாவட்டங்களில் நிலம் இன்னும் சரியாக 'சர்வே' செய்யப்படாமலிருப்பதுதான் என்று சொல்கிறார்கள். இராமநாதபுரம் ஜில்லாவிலே பெரும் பகுதி 'லர்வெ' செய்யப்பட்டபிறகும் முடிவான உத்தரவு வராததினால் நில அடமான பாங்கு ஏற்படுத்துவதற்கு இடமில்லாமல் இருக்கிறது. ஆகவே, இதற்காக தனியாக ஒரு சட்டம் ஏற்படுத்தி இம்மாதிரி சர்வேக்களை உடனுக்குடன், அதாவது ஒரு ஆண்டுக்குள்ளேயே முடிப்பதற்கு வேண்டிய நடவடிக்கையும் அரசியலார் எடுக்கவேண்டுமென்று கேட்டுக்கொள்கிறேன்.

இம்மாதிரி புது சங்கங்களை ஏற்படுத்தும்பொழுதும், கூட்டுறவு கிராம பாங்குகளை ஏற்படுத்தும்பொழுதும், அல்லது சிறு சிறு சங்கங்களை இணைத்து பெரிய சங்கங்களாக ஏற்படுத்தும்பொழுதும், அவைகளை நிர்வகிப்பதற்கு அதிகாரவர்க்கம் சிப்பந்திகளை நியமித்தால்தான் பொது மக்களுக்கு நம்பிக்கை ஏற்படுமென்று சொல்லவேண்டிய நிலையிலிருக்கிறேன். பொதுவாக, கூட்டுறவு இயக்கமானது அதிகாரப் பற்றற்ற பொது மக்களுடைய நிர்வாகத்திலேயே இருக்கவேண்டுமென்பது உயர்ந்த லட்சியமாக இருந்தபோதிலும், நமது நாட்டிலுள்ள பலவிதமான நடவடிக்கைகளைப் பார்க்கும்போது பூராவாக பொது மக்களை நிர்வாகத்தில் இருக்கும் பட்சத்தில் நம்பிக்கைக்குறைவான அநேக காரியங்கள் ஏற்படுகிறபடியினால், என்னைப்போன்றவர்கள், அதிகாரிகளைக் கேந்திரமானஸ்தானத்தில் வைத்து நிர்வாகத்தை அவர்களிடம் ஒப்படைக்கவேண்டிய நிலையில்தான் இன்னும் இருக்கின்றோம் என்று கட்டாயம் ஒப்புக்கொள்ள வேண்டியவர்களாக இருக்கிறோம். அதற்காகவும் பண வசதி செய்துகொடுப்பதற்கும் இந்தச் சட்டத்திலே இடம் செய்திருப்பது மிகவும் வரவேற்கத்தக்கது. இம்மாதிரி புதுச் சங்கங்களை ஏற்படுத்தி நிர்வாகஸ்தர்களையும், டைரக்டர்களையும் அந்தந்தப் பகுதியில் இருக்கிற பொது மக்களுக்கு நம்பிக்கை தரக்கூடியவர்களாகப் பார்த்து நியமிக்கவேண்டும். சமுதாய நலத் திட்டங்கள், தேசிய அபிவிருத்தித் திட்டங்கள் ஆகியவை விரிவு அடைந்து வரும்போது அவைகளில் அநேக காரியங்கள், முக்கியமாக கூட்டுறவு இயக்கத்தின்மூலம் நடக்கவேண்டியிருக்கின்றன. ஆகையால், மக்களுடைய கவனமெல்லாம் கூட்டுறவு இயக்கத்தைச் சார்ந்திருக்கிறது. கூட்டுறவு இயக்கத்தில் சிறு குற்றம் காணப்பட்டாலும் அதை ஜனங்கள் மிகைப்படுத்திச் சொல்வதற்குக் காரணம் இதுதான். பொது மக்களுடைய எண்ணம் அந்த முறையில் இருக்கும்போது ஜவ்வொரு பகுதியிலும் இருக்கின்ற பொறுப்புள்ள தலைவர்கள் என்று சொல்லிக் கொள்ளும் அநேகர், தங்களுக்கு இருக்கிற பிரத்தியேகமான மன மாச்சர்யத்திற்கேற்ப, தாங்கள் சார்ந்த இயக்கத்திற்கேற்ப கட்சி பேதங்களை மனதில் வைத்துக்கொண்டு, கூட்டுறவு இயக்கத்திலே தலையிட்டு, சர்ச்சைகளை உண்டாக்க முயல்வது மிகவும் வருந்தத்தக்கது. புதிய சங்கங்கள், புதிய கூட்டுறவு கிராம பாங்குகள் விஷயத்தில் அம்மாதிரி நிலைமை ஏற்படாமலிருக்கும்பொருட்டு, அவைகளுக்கு நிர்வாகஸ்தர்களையும், டைரக்டர்களையும் தேர்ந்தெடுக்கும்போது சரியானவர்களாகப் பார்த்துத் தேர்ந்தெடுக்கவேண்டும். அந்தந்தப் பகுதியில் யார் யாரிடத்தில் பொது மக்களுக்கு நம்பிக்கை இருக்குமோ அவர்களை நிர்வாகஸ்தர்களாகப் போட்டால் எந்த உயரிய நோக்கங்களுக்காக கூட்டுறவு இயக்கம் ஆரம்பிக்கப்பட்டதோ, அந்த நோக்கங்கள் நல்ல முறையில் நிறைவேறுவதற்கு ஏதுவாக இருக்கும். பொது மக்களுக்கு திரிகரணசத்தியோடு உழைக்கும் நபர்களைப் பார்த்து கூட்டுறவு இயக்க அதிகாரிகள் சிபாரிசு செய்யவேண்டும். அவர்களைப் பார்த்துத்தான் நியமிக்கவேண்டும். அதைத் தெரிவித்து வேறு காரணத்தினால் அரசாங்கம் ஈடுபட்டு ஒரு பகுதியினருக்குச் செல்வாக்கு ஏற்படுகிறவண்ணம் இயக்கத்தை நடத்திக்கொண்டு வந்தால் கூட்டுறவு இயக்கமே மிகவும் பரிதாபகமான நிலைக்கு வந்து விடும். ஆகையால் இந்தக் காரியத்திலே சம்பந்தப்பட்ட அதிகாரிகள் நிர்வாகஸ்தர்களையும், டைரக்டர்களையும் தெரிந்தெடுக்கும் வண்ணம்

22nd December 1956] [Sri V. V. Ramaswami]

அவர்களுக்கு முழு அதிகாரத்தையும் நம்பிக்கையையும் அமைச்சரவர்கள் விட்டுக்கொடுக்கவேண்டுமென்று கண்டிப்பாகத் தெரிவித்துக்கொள்கிறேன்.

இந்தச் சந்தர்ப்பத்தில் நமது சமுதாயத்தில் பல துறைகளிலே பல அபிவிருத்தித் திட்டங்களை நிறைவேற்றும் பொறுப்பை ஏற்றுக்கொண்டு பல இலாகாக்களை நிர்வகிக்கும் நமது சபையின் முதல்வர்களும் திரு. பக்தவத்சலம் அவர்கள் கூட்டுறவு இலாகாவின் பொறுப்பு ஏற்றுக் கொண்டு முதன் முதலாக இந்த மசோதாவைக் கொண்டுவருவது மிகவும் மகிழ்ச்சி தரக்கூடியது என்று சொல்லிக்கொண்டு இந்த மசோதாவை நான் வரவேற்கிறேன். வணக்கம்.

* DR. T. V. SIVANANDAM : Mr. Chairman, Sir, at the outset, as a co-operator of 17 years' standing in Tamil Nad, I want to pay my humble respects and express my gratitude to the hon. Member Mr. Narayanaswamy Pillai and the Committee presided over by him for the voluminous work they have done for co-operation. At one stage, I thought that probably the Report of this Committee also might go to cold storage just like the C. S. R. Mudaliar Committee report on municipal reorganization. But we are glad that the recommendations of this Committee are very good and that they are being implemented. Every one of the recommendations has got to be given effect to even from now on.

Sir, going through the Report of the Committee, we find that the only thing that the Committee has forgotten to note is about the Co-operative House Mortgage Bank. That is the only thing which they have left out. Why that has been left out is not quite clear to me.

Among other things, a definition has been given in their Report to the term " Union "; it is a most important thing and I expected that the Government would bring in a measure accepting that definition of the " Union ". Sir, there are institutions which are called " Unions " but they do not do the supervision work at all. In spite of that, they call themselves Unions, just to get a seat in the Central Co-operative Bank's Board. Therefore, what we want is that the definition should also be taken note of by the Government.

Regarding the small societies, I should say that the reason for the co-operative movement not working well in our country is that there are several small societies formed in each village which consist of only a handful of members, the total number of members being 25 or 30. That is the reason why they work as a small house or family of their own and the benefit of the movement does not go to most of the people outside. The recommendation to amalgamate small societies into one big society is a good one and there must be voluntary effort also so that small societies might join together. We should not wait for that. When we want to spread the co-operative movement, and when we want to see that people in the villages are benefited and profited by it, we must see that each society has at least 100 members. We should even make a

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provision that the Registrar of Co-operative Societies should not on any account register any society which has got less than 100 members.

3.40 p.m. Regarding the Central Co-operative Bank, at present the borrowing limit is fixed at ten times the share capital. At a time when our activities are expanding, when we are going to give more work to the societies, when we are going to finance many societies and when we are going to open rural banks and agriculturists' relief banks, it is the duty of the Government to come forward and see that the borrowing limit in the case of the Central Bank is raised from ten times to twelve times the share capital in normal times and in extraordinary times to two times more for the sake of financing marketing societies and weavers' societies. When they have come forward to give help to many thousands of villagers, first of all, they must see that the borrowing limit is increased. Unless it is increased, it is not possible to do good work. If the borrowing limit is only ten times the share capital, the Government will say, "You increase your share capital." Over-capitalization is always bad in regard to the normal routine work of any banking institution. Hence, as far as possible, we must try to avoid over-capitalization. Therefore, I request the Government to see that the normal borrowing power is increased from ten times to twelve times the share capital.

Regarding the loans that the Central Banks are expected to give to the weavers, the Reserve Bank gives the money to the State Co-operative Bank which in turn gives it to the Central Bank. The Central Bank is answerable to the State Bank and we in turn are giving it to the weavers' societies. But when there is any loss, the first charge goes to the Government and not to the financing bank. When we are answerable to the State Bank, why not the weavers' societies be answerable to us? If in any case there is a loss, the first charge on the weavers must go to the Central Co-operative Bank. Then, it has been said that the Government of India will bear 50 per cent of the losses, if any, subject to a maximum of 5 per cent of the investment that they have made. That won't do; we want something more. Let the Government of India and the State Government accept 50 per cent each. This is the recommendation that has been made in the Committee's Report also. This is because we do not know what the position of the societies will be. Just when the societies are starting, they are asked to give large amounts of money as loan. Money is given specially for being given to the weavers. Therefore, it has got to be given. But we have to say. "We have got a responsibility. We have received a loan from you. We have the responsibility to repay the loan." When we give loans to others, we must see that the money is repaid to us in the proper way. Only on account of this difficulty, some Central Banks including my Bank hesitate to give larger amounts as loans to weavers' societies. However, some relief has got to be given. But if it is not given, we are earning a bad name. The Government can say to the weavers,

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“ The Central Bank is not giving the money to you. It is not our mistake.” But, at the same time, we have got to see that we are able to repay the loan received from the Government. What is the surety we have got from the weavers’ societies? Have we got the first charge on their assets and properties? No. The Government have got the first charge on them because they are contributing something to them. Hence, I want that the Government should take proper steps to relax certain rules so that with peace of mind we may be able to give loans to weavers’ co-operative societies and render some useful service.

Then, Sir, some societies are not working properly. It is because people in charge of the accounts do not know much about maintenance of accounts. We must insist that people who have undergone the co-operative training and passed tests must be in charge of the societies as supervisors, head clerks and clerks. As it is, most of the people in charge of these societies do not know how to keep accounts at all. It is not possible now to employ trained personnel in every society. Hence, the Government must come forward to give subsidy at least for the first three years since we are going to establish large-sized societies. Even, at the outset, I want to say that the Government should not encourage societies with less than one hundred members. If a society is composed of less than one hundred members, it will be a very uneconomic unit.

Regarding the house mortgage banks, they must be in between the urban banks and the land mortgage banks. If these banks also deal with the provident fund deposits, recurring and other deposits, it will not be possible for the urban bank in the same area to carry on efficiently. I looked into the Report and I did not find any mention about house mortgage banks. The Committee has done tremendous work and made creditable recommendations. I request the Government to go through them carefully and implement them.

Under another section—I forget the number of the section—if any of the marketing society or central stores wants to open accounts with the State Bank of India, the Registrar has got the power to grant the request. Personally, I hate such a thing. In the co-operative field, there are co-operative financing banks. If only these banks are not able to finance the central stores and marketing and loan and sale society, such permission may be given. In my district, two central stores and society have been given such permission. I had a talk with the Registrar about that. First of all, if any of these stores wants to transfer its accounts to the State Bank of India, the Board of Management of the Central Bank must be asked to say whether it has any objection to it or not. But the section cited above gives power to the Registrar of Co-operative Societies to grant this permission even without consulting the Central Bank about it. If such a thing continues, the Central Co-operative Bank will cease to do the duty of financing these co-operative societies. The Central Co-operative Bank has got to finance the marketing societies mostly. The habit of allowing

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these societies to open accounts with the State Bank of India on some pretext or other must be put an end to. Only if the Board of Management of the Central Bank says that it is not possible for that bank to go on financing an institution, that institution should be allowed to approach any other bank.

3.50 p.m. Regarding reserve funds, every society—credit society or non-credit society—should be made to realise that it must invest its reserves only in the Central Bank. Otherwise, I know there are societies where the reserve fund is used for their own business. I have questioned several of them why they should do it and whether they were permitted to do it. They told me that the necessary permission in this regard had been given to them by the Registrar. We do not know the correct position. We have no information as to whether such permission has been granted by the Registrar. We do not know the correct position. We have no should allow the general reserve fund to be utilised by those people for their business. The whole reserve fund must be in charge of, and deposited in, the Central Bank.

Regarding the training institutions, I think several institutions are coming up. We are going to have some co-operation colleges also. I hope several personnel will come out of these institutions hereafter and man the co-operative institutions very efficiently.

As for the incentive to be given to the co-operators to work efficiently in the field, I may mention that these institutions were manned by non-official agencies all these years. Of late, the Government want to come into this field also. We have absolutely no objection to that. But, let the Government give a chance to these non-officials who have been doing the work so splendidly all these years, especially in Tamil Nad. Here, the co-operative movement under the guidance of non-officials has made rapid progress. When introducing official elements into the movement, care should be taken to see that no official pressure is put on the non-officials. If the non-officials commit mistakes, the Government can very well point out those mistakes to the non-officials and ask them to rectify them. They will be only too glad to do that. Instead of doing that, pressure of the Government should not be brought to bear on the non-officials. I would request the Hon. the Minister in charge of Co-operation to go through the recommendations of the Co-operation Committee and see that they are implemented. He may also see that the non-officials are allowed to play their part usefully as in the past.

DR. A. SREENIVASAN : Sir, I am not a specialist in co-operation. Anyhow, the only interest that I have is that the Government should come forward to put a stop to defalcations which are reported in the Press every now and then. I would like to know what the Government have done to prevent such things in future. Human nature being what it is, some persons fall an easy prey to temptations. The Hon. the Minister in charge of this subject will please take this aspect into consideration.

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Another thing that I have read in the newspapers is this. Suppose a particular person is engaged in the movement. All his relatives and members of his family are provided for in some co-operative institution or other. We will have to see that such things do not prevail in future. The Hon. Minister should take special care in preventing the defalcations of public funds.

* THE HON. SRI M. BHAKTAVATSALAM: Mr. Chairman, the hon. Members who have participated in the discussion have very rightly welcomed the provisions of this Bill. I need not point out that the scope of the present measure that has been introduced and that is before the House for consideration is rather limited. We have brought forward this measure as an urgent measure. Of course, the background of it is the Report of the Rural Credit Survey Committee. The immediate background of this idea is the report that has been presented by the Co-operation Committee which was presided over by the hon. Member Sri T. M. Narayanaswamy Pillai. The very valuable recommendations of that Committee are under the active examination and consideration of this Government. The Government have been preparing the provisions for the necessary legislation relating to the various points that have been dealt with by the Committee. The Government do propose to bring forward a comprehensive Bill amending the Co-operative Societies Act which would incorporate most of the recommendations of the Committee. But, this will take some time. Therefore, the Government have brought forward this Bill for a certain specific purpose. The hon. Member who spoke first referred to the need, the urgent need, for facilitating amalgamation of societies with a view to enabling the expansion of rural credit. That is the main object of this Bill. A comprehensive Bill incorporating the provisions and recommendations of the Committee is under preparation. It will take some time and when it is ready, it will be introduced, if not in the present Legislature, at least in the Legislature that will be constituted after the General Elections. So far as this House is concerned, there will be no change. I do hope that that Legislature will consider the comprehensive Bill in a detailed way. I also do hope that there will be a Joint Select Committee which will go into it and several hon. Members, particularly hon. Members who are veteran co-operators, will be able to take part in the discussion at the Select Committee and offer their useful and valuable suggestions with reference to the various provisions that have to be introduced with a view to developing co-operation on healthy and salutary lines.

One hon. Member referred to irregularities and defalcations. It is the anxiety of the Government to root out the source of these irregularities and defalcations. The Government seek the co-operation of the non-officials, who are actively connected with the co-operative movement, in our efforts to root out these irregularities. Hon. Members will have opportunities to consider and formulate measures which would avoid, as far as possible, such irregularities.

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Sir, the hon. Member who spoke first referred to the need for effective and independent audit. That is one of the recommendations of the Committee on Co-operation. The Government have already accepted that on principle and have already been taking steps in the direction of implementation of that principle.

I would like to assure the hon. Member Sri Narayanaswamy Pillai, who spoke with vehemence and who stated that the State was abdicating its functions, that there is no question of the State abdicating its functions. Co-operation is primarily the function of the State Government. The Government are fully alive to this responsibility. When the Government bring forward the comprehensive Bill, I would invite the hon. Members to go through it carefully and offer their suggestions.

The hon. Member Dr. Sivanandam spoke about Mortgage Banks and the need for increasing the borrowing limit. All those things could be well considered when we bring forward the comprehensive Bill.

4 p.m. I do not agree with the hon. Member who spoke first that there is no urgency for affording necessary facilities for rural credit. The harvest might have been over in a particular place. But in another place the crops may not be ripe for harvest. The need for rural credit is always there. Only a month ago I saw certain villages in Salem where the rural agricultural banks had just begun functioning. I saw there a number of people coming to the bank, applying for loans and taking loans for urgent purposes in connection with agricultural operations. Therefore, there is no question about the need for affording facilities for rural credit to the agriculturists. I do hope that the House will unanimously accept this Bill and enable it to become an Act.

MR. CHAIRMAN: The question is—

“That the Madras Co-operative Societies (Amendment) Bill, 1956 (L.A. Bill No. 34 of 1956), as passed by the Legislative Assembly, be taken into consideration.”

The motion was put and carried and the Bill was taken into consideration.

Clauses 2 to 5 were put and carried.

Clause 6.

MR. CHAIRMAN: The motion is—

“That clause 6 do stand part of the Bill.”

Sri K. Balasubramanya Ayyar can move the two amendments he has given notice of to this clause.

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SRI K. BALASUBRAMANYA AYYAR: Sir, I move the following amendments:—

“ In sub-section (1) of the proposed section 21, *add* the following at the end:—

‘ Except where the landowner is entitled to a first charge for the cost of manure supplied to the cultivating tenant or where he is entitled to recover any loan he has given for the cultivation expenses.’ ”

“ After sub-clause (5), *add* the following as sub-clause (6):—

‘ (6) The Registrar may, in enforcing the charge, recover the amount in instalments on the application of the member or past member or the heir of a deceased member, in that behalf.’ ”

If, before a person becomes a member of a society, the landlord has supplied manure, then according to the Fair Rent Bill which we have passed, he (the landlord) is entitled to the first charge. My submission is that if, before becoming a member of a co-operative bank and obtaining a loan from it for cultivation expenses, the landlord has supplied manure to the tenant and incurred some expenditure, then that money should be made the first charge and it should be paid back to him. But there might have been cases wherein the first charge might have already been credited according to the Fair Rent Act and afterwards, the landlord might have become a member of a Co-operative Bank and borrowed money from it for cultivation expenses. In such a case, unless my amendment is accepted, difficulties may arise as to whether he should also be paid the money he has given for manure, when in point of fact the money he has advanced has already been credited according to the Fair Rent Act. That is why I have moved my first amendment.

I now come to the second amendment. When we discussed the Fair Rent Bill and the Cultivating Tenants Protection Bill, Government were very anxious that much latitude should be given to the debtor to repay the amount in several instalments even though the Civil Procedure Code had given power to the Court to pass such a decree. Still, the Government were anxious to have a specific provision like that in those two Bills, for the purpose of enabling the cultivating tenant to repay the money in instalments. The Committee on Co-operation has also suggested that the repayment may be spread over till the next harvest. That is why I say that the Registrar may, on the application of the member or past member or the heir of a deceased member in that behalf, who has advanced the money, recover the same from the tenant in instalments. That is the purpose of my second amendment.

SRI G. KRISHNAMOORTHY: I second the amendments, Sir.

*SRI A. GAJAPATHY NAYAGAR: மன்றத் தலைவர் அவர்களே, நிலச் சொந்தக்காரர்கள் நிலம் சாகுபடி செய்கிறவர்களுக்குக் கடன் கொடுத்தால் அந்தக் கடனை முதல் ‘சார்ஜ்’-ஆக வசூல் செய்ய

[Sri A. Gajapathy Nayagar]

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வேண்டுமென்று கனம் அங்கத்தினரின் திருத்தம் கோருகிறது என்று நினைக்கிறேன். கனம் அங்கத்தினர் அதை விளக்கமாகச் சொல்ல வேண்டும்.

SRI K. BALASUBRAMANYA AYYAR : இந்தச் சட்டம் வருவதற்கு முன்னால் நில சாகுபடிக்காக ஏற்கெனவே கடன் கொடுத்திருந்தால், அந்தக் கடன் முதலடியாகக் கொடுக்கப்படவேண்டும். இந்தச் சட்டம் வருவதற்கு முன்னால் ஒருவர் கடன் வாங்கியிருந்து; அதற்குப்பிறகு அவர் கூட்டுறவு சங்கத்தில் அங்கத்தினராக சேர்ந்திருந்தாலும் இந்தச் சட்டம் வருவதற்கு முன்னால் வாங்கியிருந்த கடனை முதலில் கொடுத்துவிட வேண்டும். அந்தக் கடனை இந்தச் சட்டம் கட்டுப்படுத்தக்கூடாது என்பது தான் என்னுடைய திருத்தத்தின் நோக்கம்.

இரண்டாவதாக, எருவுக்காக நிலச்சுவான்தார் உழுவர்களுக்கு கடன் கொடுக்கலாம். அப்படிக் கொடுத்தது ஏற்கெனவே கூட்டுறவு சங்கத்தில் மெம்பராக இல்லாதபோது கொடுத்திருந்தால் சட்டப்பிரகாரம் முதல் முதலாக எழுதிக்கொடுத்த பிரகாரம் முதலில் வாங்கிய கடனைக் கொடுத்து விடவேண்டும். பிறகுதான் கூட்டுறவு சங்கத்தினுமல்ல வாங்கிய கடனைத் திருப்பிக் கொடுக்கும் விஷயம் எழுகிறது. இந்த இரண்டு விஷயங்களை மாத்திரம்தான் நான் தெரிவித்துக்கொள்கிறேன். ஆனால் என்னோடு கனம் அங்கத்தினர் திரு. கஜபதி நாயகர் சாதாரணமாக ஒப்புக்கொள்வது இல்லை.

*** SRI A. GAJAPATHY NAYAGAR :** இந்தச் சட்டம் வருவதற்கு முன்னாடிக் கொடுத்த கடனைப்பற்றிதான் நானும் சொல்கிறேன். முன்னதாகக் கொடுத்திருந்தால் அந்தக் கடன் உண்மையா என்று அறிவது எப்படி? நிலச் சொந்தக்காரனும் மற்றவர்களும் சேர்ந்து கொள்ளலாம். கடன் கொடுத்தவர் பேசிக்கொள்ளலாம். நான் அனுபவத்தைக்கொண்டு பேசுகிறேன். கடன் கொடுத்ததாக ஒருவர் சொல்கிறார். அந்தக் கடனை முதல் சராஜ் ஆகக் கொடு என்று சொல்லுகிறார். ஆனால் கொடுத்த கடன் உண்மையா என்று அறிவது எப்படி? அதற்குப் பதில் சொல்லவேண்டும். கொடுக்கிறவனும் வாங்குகிறவனும் சேர்ந்து மோசடியாகக் கடன் கொடுத்தான் என்று சொல்லலாம். பிற்பாடு கூட்டுறவு சங்கத்தைப் பாதிக்கும். நான் அனுபவத்தின் பேரில் சொல்கிறேன். அடிக்கடி இவ்விதமாக வருகிறது. முன்னாடிக் கொடுத்தான் என்பதற்கு ஒரு பதிவு மூலமாக கடன் உண்மையா என்று தெளிவாகச் செய்து வைத்தால் கனம் அங்கத்தினர் திருத்தத்தை ஏற்றுக்கொள்ளத் தயாராயிருக்கிறேன். வழி முறை எனக்குத் தெரியாது. கொடுத்த கடன் உண்மை என்று மக்கள் அறிவது எப்படி?

*** DR. A. SREENIVASAN :** டாகுமெண்ட் 'ரிஜிஸ்ட்ரேஷன்' செய்திருந்தால் அதை எப்படிப் பொய் என்று சொல்வது?

*** SRI A. GAJAPATHY NAYAGAR :** ரிஜிஸ்ட்ரேஷன் பண்ணினாலும் பணம் கொடுக்காமல் இருக்கலாம் என்று கனம் அங்கத்தினருக்கே தெரியும். கடன் உண்மையா? உண்மை என்று தெரிந்தால்தான் நாட்டுக்கு நலம். கனம் அங்கத்தினர் வக்கீலாக இருக்கிறார். நான் ஜட்ஜாக இருந்திருக்கிறேன். ஆகையால் நான் சொல்கிறேன். ஒருவர் கொடுத்த கடன் உண்மை என்று நிரூபிக்க வழி செய்தால் அதற்குப் பிறகு கவர்ன்மெண்டார் திருத்தத்தை ஏற்றுக்கொள்வர்.

*** THE HON. SRI M. BHAKTAVATSALAM :** I am sorry I am unable to accept these two amendments.

The first amendment seeks to give preferential claim to the landlord in respect of cost of manure, seed, etc., given to the cultivating tenant. That may give room for the landlord to exploit

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the tenant. The hon. Member Sri Gajapathy Nayagar, who has been a Judge, with all his experience, is opposed to this amendment. It is possible that as a result of collusion between the landlord and the tenant with a view to deceiving the society, such claims may be put forth. It has been pointed out that extending credit will be to the advantage of the tiller. Therefore, the society should have a prior charge as against the claim of the landowner. The co-operative credit machinery is being reorganized to provide the necessary credit to the cultivating tenants. The agriculturists are now beginning to understand the usefulness of rural credit co-operative societies. If the amendment is accepted, then the societies will hesitate to help these poor cultivators. This will defeat the purpose of the reorganization of the co-operative credit machinery, which is now under consideration. Therefore, I am unable to accept the first amendment.

About the other amendment, I would submit that it is not necessary. This amendment says that the Registrar may, in enforcing the charge, recover the amount in instalments on the application of the member or past member or the heir of a deceased member, in that behalf. I think this is not necessary. After all, in all deserving cases, the societies give reasonable time to the debtors, even without such an application from the creditor, to pay the dues.

SRI K. BALASUBRAMANYA AYYAR: Sir, the Hon. the Leader of the House said that it might lead to collusion. I do not think so. (Interruption.) Fortunately, Mr. Gajapathy Nayagar is not a Judge now and I need not plead with him or even convince him. Now, it is a charge under the Fair Rent Act. There may not arise cases like this now but cases like this would have occurred before the passing of this particular Bill. There may be a case where a person who is not a member of any society may apply to the landlord. Under the Fair Rent Act, it has been stated that the landholder should be encouraged to give such advances to the cultivating tenant. At that time, the Government were anxious—even a suggestion to compel the landholders was made, though it was not accepted—that the landowners should give such advances. It was even suggested that the landowner should be compelled to supply manure, because it was he who would be able to do that. Supposing the cultivator has taken a manure loan from the landowner and afterwards joins a society for doing better farming, what shall this landowner do? There was no such difficulty at the time of giving the loan, for this law was not in force then. Therefore it is that I have given notice of the amendment providing for the due repayment of the loans taken by the cultivating tenant from the landowner. On the application of a cultivator who says that he is unable to repay, payment in instalments should be allowed; if he proves to the satisfaction of the Registrar his inability to repay, why not he be allowed to pay in instalments? There were people who waxed eloquent on behalf of the cultivating tenants at the time the Fair Rent Act was enacted and they were sorry for the difficulties

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of the cultivators. Such sympathy was expressed at the time the Moratorium Act was passed and later on when many Debt Relief Acts were passed; I heard such arguments then. All that is gone now. I, therefore, plead with the Hon. Minister that he may be a little more sympathetic to the cultivating tenants now—I know he has always been sympathetic and, therefore, has got many legislations enacted—and that this concession may be in favour of the tenants.

* THE HON. SRI M. BHAKTAVATSALAM : Sir, it is my absolute sympathy and anxiety that they should be enabled to have all necessary credit facilities that makes me hesitate to accept the amendment of the hon. Member. It is a well-accepted principle that dues of co-operative societies should have the highest priority over other debts. Still, I do not think that the landlord would have any difficulty in recovering these manure loans. There should be no difficulty at all about it.

MR. CHAIRMAN : I shall now put the amendments of the hon. Member Sri K. Balasubramanya Ayyar to the vote of the House. The question is—

“ In sub-section (1) of the proposed section 21, *add* the following at the end—

‘ Except where the landowner is entitled to a first charge for the cost of manure supplied to the cultivating tenant or where he is entitled to recover any loan he has given for the cultivation expenses.’ ”

“ After sub-clause (5), *add* the following as sub-clause (6) :—

‘ (6) The Registrar may, in enforcing the charge, recover the amount in instalments on the application of the member or past member or the heir of a deceased member, in that behalf.’ ”

The amendments were put and lost.

Clause 6 was put and carried.

Clauses 7 and 8 were put and carried.

Clause 9.

MR. CHAIRMAN : The motion is—

“ That clause 9 do stand part of the Bill.”

SRI K. BALASUBRAMANYA AYYAR : Sir, I move the following amendment :—

“ In the proposed section 53—

‘ (i) *omit* the words “ who acts in contravention of sub-section (2) of section 21.”

(ii) *for* the words “ six months ” *substitute* the words “ one month ”,

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(iii) for the words " five hundred rupees ", *substitute* the words " one hundred rupees. "

The amendment was duly seconded.

SRI K. BALASUBRAMANYA AYYAR: Sir, my hon. Colleague Mr. Narayanaswamy Pillai said that he examined this question of punishment and that he would not agree to the present provisions. Though there have been provisions like this in the different Acts of various States, I do not think that this kind of severe punishment should be provided for. I am not quarrelling with section 21 in so far as it provides for recovery of loans and gives priority to the recovery of such loans. But this provision, namely, " any person who acts in contravention of sub-section (2) of section 21, etc. ", is not quite fair. I would request hon. Members to refer to sub-section (2) of section 21 which reads as follows :—

" No property or interest in property which is subject to a charge in favour of a registered society under sub-section (1) shall be sold or otherwise transferred or converted in any manner without the previous written permission of the society."

Then there is sub-section (4) of the same section, namely :—

" Notwithstanding anything contained in any law, any transaction made in contravention of sub-section (2) shall be void." Therefore, the interests of the society are amply protected. In any event, the society will be able to recover the entire dues. That being the case, why should there be this provision for punishment for default? By saying that any transaction made in contravention of sub-section (2) " shall be void ", there is ample punishment provided for for the defaulter. Therefore, is it necessary to punish the man in addition to making his transaction ' void '? Of course, this might be for the purpose of enforcing the provisions of section 21. So far as this provision for punishment is concerned, even the hon. Member Mr. Narayanaswamy Pillai would hesitate to approve of it. So far as failure to deposit the property is concerned, of course, there should be punishment. But with regard to acting in contravention of sub-section (2) of section 21, that provision is not necessary, as that has already been provided for under sub-section (4), saying that such transaction shall be void.

With regard to punishment for failure to deposit the property under sub-section (3) of section 21, the provision made is six months' imprisonment or a fine of Rs. 500. The punishment should not be so deterrent. After all, the cultivators are poor people and there may be difficulties. Therefore, I think that we should reduce the term of imprisonment and also the amount of fine. I think that imprisonment for a term of one month and a fine of Rs. 100 would be amply sufficient. Of course, there should be provision for punishment, but it need not be so deterrent. Even in the Money-lender's Bill, the provision made for punishment is six months' imprisonment and a fine of Rs. 100. Here, the fine

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proposed is only Rs. 500 and that is all the difference. But both the cases are not similar. I hope the Hon. Leader of the House will accept my amendments.

* THE HON. SRI M. BHAKTAVATSALAM : Sir, so far as the first amendment of the hon. Member is concerned, I should like to point out that the intention behind the provision is that there should be no tendency on the part of borrowers to violate the provision of sub-section (2); it should be completely checked and prevented. That is the idea behind the provision. When we come forward freely extending credit facilities to the ryots, we are equally anxious that there should be not only no abuse but that there should be no tendency to indulge in abusing, and that is why this provision is there. Therefore, I am unable to accept that amendment.

So far as the other two amendments are concerned, this deterrent provision is made deliberately with a view effectively to check any violation of the provisions of the Act. After all, it is only the Court that imposes the penalty and it is always open to the Court to consider the circumstances of the case and reduce the penalty in individual cases.

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SRI K. BALASUBRAMANYA AYYAR : I know very well that there is a deterrent provision. But why should there be a special penalty provided for here? Because the co-operative society is a sacred institution, we began to talk of deterrent provisions. It is wrong to transfer property in order to defeat the provisions of law. Ordinarily, under the law, the transaction is only voidable. If an application is put in, it can be set aside. But that provision has been taken away. The law says that it is void with reference to the co-operative society. This is a privilege given to a co-operative society and not to any other creditor. Therefore, why should we add any further deterrent provision?

MR. CHAIRMAN : The question is—

“ In the proposed section 53—

(i) *omit* the words “ who acts in contravention of sub-section (2) of section 21.”

(ii) *for* the words “ six months ”, *substitute* the words “ one month ”.

(iii) *for* the words “ five hundred rupees ”, *substitute* the words “ one hundred rupees.” ”

The amendment was put and lost.

Clause 9 was put and carried.

Clauses 10 and 11 and the Preamble were put and carried.

* THE HON. SRI M. BHAKTAVATSALAM : Sir, I move—

“ That the Madras Co-operative Societies (Amendment) Bill, 1956 (L.A. Bill No. 34 of 1956), as passed by the Legislative Assembly, be passed.”

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MR. CHAIRMAN : The question is—

“ That the Madras Co-operative Societies (Amendment) Bill, 1956 (L.A. Bill No. 34 of 1956), as passed by the Legislative Assembly, be passed.”

The motion was put and carried and the Bill was passed.

(2) THE MADRAS REQUISITIONING AND ACQUISITION OF IMMOVABLE PROPERTY BILL, 1956 (L.A. BILL NO. 35 OF 1956).

* THE HON. SRI M. BHAKTAVATSALAM : Mr. Chairman, Sir, I beg to move—

“ That the Madras Requisitioning and Acquisition of Immovable Property Bill*, 1956 (L.A. Bill No. 35 of 1956), as passed by the Legislative Assembly, be taken into consideration.”

This Bill has to be enacted immediately in order to enable the Government to implement their comprehensive programme of development in the agricultural sector under the Second Five-Year Plan. In most of the Agricultural Research and Development Schemes contemplated under this programme, lands are required for establishing Research Stations, Seed Farms, etc. The outright purchase of lands which are required for a specified period will involve the Government in huge expenditure. On the other hand, it will be advantageous and economical to take the required lands on lease. But a lease has to be negotiated and it is only by agreement that it will be possible for the Government to get lands on lease. It is, therefore, imperative to undertake legislation empowering the Government to take lands compulsorily on lease, the rent being fixed on a reasonable basis. The Bill, which is now before the House, empowers the State Government to requisition for the purpose of the State any immovable property and also to acquire later on such requisitioned property, if necessary.

The principles and methods according to which compensation will be determined and paid for such requisitioning and acquisition have been laid down in clauses 8 and 9. Provision has been made in clauses 10 and 11 for appeals against orders of requisitioning and awards determining compensation.

It is needless for me to say that the provisions of the Bill after it is enacted will be resorted to sparingly and only in those cases where it is absolutely necessary to do so.

MR. CHAIRMAN : Motion moved—

“ That the Madras Requisitioning and Acquisition of Immovable Property Bill, 1956 (L.A. Bill No. 35 of 1956), as passed by the Legislative Assembly, be taken into consideration.”

DR. A. LAKSHMANASWAMI MUDALIYAR : Mr. Chairman, Sir, I have listened very carefully to the introductory remarks of the Hon. Minister in regard to this Bill. But, I must confess